Innovations

Effect of Marketing Strategy on Firm Performance: A Study on Ethiopian Textile Manufacturing Industries

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Abstract

This article contains research findings on how Marketing Strategy affects the Firm's Performance in the textile manufacturing Industry. A causal analysis of the connection between the independent factors and the dependent variable was performed as part of the study using an explanatory research design. Relationships in Product Strategy, Price Strategy, Place strategy, Promotion Strategy (as an independent variable), and company performance were the specific areas of interest in the study. To determine how Marketing strategy affects the firm performance, the Structural Equation model (SEM) was utilized in the study. Thus, the model fitness was tested before running the SEM and respectively the result showed that the fit indices for the model shown in data analyses were in the acceptable range(CMIN/DF=1.100, GFI =0 .992, RMR=0.001, TLI = 1.000, RMSEA = 0.017).This allows the researcher to run SEM. The result of the study showed that when the marketing strategy goes by one- unit, Firm performance goes by 0.923, With a P-Value of less than 5 percent. this shows that marketing strategy has a significant positive effect on the firm Performance. Specifically, the study revealed that Product Strategy, Price Strategy, Place strategy, and Promotion strategy has a significant positive effect on the Firm performance. therefore, to enhance the firm Performance, the companies should give due emphasis to setting a viable marketing strategy as it let them have better performances.

Keywords: 1.*Marketing Strategy, 2.Product Strategy, 3.Price Strategy, 4.Place Strategy, 5.Promotion Strategy, 6.Firm performance.*

Introduction

According to Budi & Aditya (2013), Marketing strategy consists of the analysis, strategy development, and implementation of activities in developing a vision about the markets of interest to the organization, selecting market target strategies, setting objectives, developing, implementing, and managing the marketing program positioning strategies to meet the value requirements of the customers in each market target. Moreover, marketing strategy provides the avenue for utilizing an organization's resources to achieve its set goals and objective (Gbolagade, 2013). Further, marketing strategy outlines the strategic direction & tactical plans that marketing teams must implement to support the company's overall objectives along with articulating the best uses of business resources and tactics to achieve its marketing objectives (Kim & Mauborgne, 2015; Ebitu, 2015)

Furthermore, the research conducted by Malshe and Sohi (2014) disclosed that successful marketing strategy implementation depends upon addressing the 4 Ps. These include: what a company is going to produce, how

much it will charge, how it is going to deliver its products or services to the customer; and how it is going to tell its customers about its products and services. This is traditionally known as the 4 Ps. This strategy, therefore, combines product development, promotion, distribution, pricing, relationship management, and other elements; it identifies the firm's marketing goals; it explains how they will be achieved; it determines the choice of target market segments, positioning, marketing mix, and allocation of resources. **(**Vaillant, 2015) Therefore, Marketing strategy plays a vital role in identifying: which opportunities are to be pursued by an organization; which activities are to be targeted, and identifies the types of competitive advantage that are to be developed and exploited (Spillan & Parnell, 2006; Aaker, 2012). Different firms have used marketing strategies to provide a quality product that satisfies customer needs, offering affordable prices and engaging in wider distribution, and back it up with an effective promotion strategy. Moreover, Marketing Strategy is used for the analysis of the market and its environment, customer buying behavior, competitive activities, and the need and capabilities of marketing intermediaries (Adewale et al., 2013; Stella, 2015).

However, In the Ethiopian Textile Manufacturing Industry, the effect of Marketing strategy on the firm performance of the Ethiopian textile manufacturing industry is not mentioned. This motivates the researcher to conduct this research to investigate the effect of Marketing strategy on the firm's Performance in the Textile Manufacturing Industry in selected Industrial parks, in Ethiopia.

Literature review

1. Marketing Strategy

According to Spillane and Parnell (2006), the links between strategy and performance have been substantiated at the firm and functional levels, although there is often an overlap between the two. At the business level, strategy typologies also referred to as frameworks and archetypes identified several generic strategic approaches and were developed and utilized as a theoretical basis for identifying strategic groups in industries. Aaker (2012) asserts that marketing strategy is closely associated with the traditional marketing mix elements. Respectively Marketing strategy's primary objective is to create a competitive company that is better positioned to deploy resources at its disposal more effectively and efficiently. "The central focus of a strategy is for the organization to achieve the right fit with the external environment" (Walker, 2011*).*

Additionally, according to Owomoyela et al. (2013), the aim of the development of an organization's marketing strategy development is to establish, build, defend, and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing.

According to Porter (1985), a business can maximize performance either by striving to be the low-cost producer in an industry or by differentiating its line of products or services from those of other businesses; either of these two approaches can be accompanied by a focus of organizational efforts on a given segment of the market. Presumably, differentiated businesses should emphasize marketing as a means of distinguishing their products and services from those of their rivals. Likewise, Porter's focus orientation is consistent with the marketing themes of product positioning and target marketing. Marketing strategies and tactics are concerned with taking decisions on several variables to influence mutually-satisfying exchange transactions and relationships. With marketing strategies in place, any challenge that a company comes face to face with can be tackled easily by applying those that are appropriate for the situation.

Further, marketing strategy has a direct relarelationshiph with the firm performance. Accordingly, the performance of the firm can be measured based on the parameter of Market share, product quality, marketing communication, relationship marketing, and profitability. The higher the market share, the higher the positive relationship, and also, the higher the product quality the greater the performance of the business and vice versa (Haghighinasa et al., 2013; Ardjouman& Asma, 2015)

Furthermore, the study conducted by Daniel, C. (2018) Revealed that the appropriate marketing strategy has an impact on the overall performance of the organization, helpful in the development of competency to develop better relationships in the market. According to the study, Marketing strategy at least minimizes various challenges or threats and maximizes the chance to avail opportunities. The conducted by Thabit, T and Raewf, M. (2018) found that Most businesses are in the race of gaining competitive advantages against their competitors through distinctive capabilities to get superior performance. Competitive advantage can be achieved through the application of an appropriate marketing strategy with technological support and strong investments. Therefore, based on the theoretical and empirical reviews of the literature the study will test the following research hypothesis for Marketing Strategy.

On the other hand, the size of the textile industry today is enormous, owing to the increasing number of emerging brands and the global population. Textiles impinge on every aspect of our lives, and the number of different fabrics that we are exposed to every day is high. Respectively the study by Akshata Parate (2020) revealed that in the global textile market, China controls 40% of the global textiles market and is the largest manufacturer and exporter of apparel. India's garment export sector has grown substantially since the elimination of quotas; hence it has acquired the second position in the textile market after China. India has a growing economy with an abundance of raw materials, strong industrial growth, and a stable government. Textile exports account for 11% of global exports. It plays a major role in the economy as it contributes 14% to industrial production and 4% to GDP. However, to the knowledge of the researcher, the impact of Marketing strategy on the firm performance manufacturing industry is not mentioned. Respectively the study will test the following hypothesis to examine the effect f marketing strategy on the Performances of the Ethiopian textile Manufacturing industry, in selected industrial parks.

2. Firm Performance

The arguments of different scholars revealed that most companies are seeking to improve their performance in any way possible. According to Omar and Zineb (2019) now a day, firm performance has become a relevant concept in strategic management research and is frequently used as a dependent variable. Although it is a very common notion in academic literature, there is hardly a consensus about its definition and measurement. However, due to the absence of any operational definition of firm performance upon which the majority of schoscholarssent, there would naturally be diverse interpretations suggested by various people according to their perceptions (Omar and Zineb, 2019).

The conceptual definition given to Firm performance is diverse from time to time and from scholar to scholar. Respectively, from 1950 to the last decade of the 20th century, firm performance was considered the equivalent of organizational efficiency, which represents the degree to which an organization, as a social system with some limited resources and means, achieves its goals without excessive effort from its members (Roshan, & Jenson, 2014). Accordingly, the criteria used for assessing performance are productivity, flexibility, and instanter-organizational signs. whereas, In the first decade of the twenty-first century, the definition of firms performance principally focused on the capability and ability of an organization to efficiently exploit the available resources to achieve accomplishments consistent with the set objectives of the company, as well as considering their relevance to its users(Roshan, & Jenson, 2014) In line with the above definition of performances, Omar and Zineb (2019*)* provided a set of definitions to illustrate the concept of firm performance: correspondingly, Performance is a set of financial and non-financial indicators that offer information on the level of accomplishment of objectives and results; performance is a function of two variables, efficiency, and efficacy.

In every organization, Performance measurement has great significance in the effective management of an organization in the enhancement of the processes since only measurable things are Manageable. Hence, the enhancement of organizational performance requires some Measurements to determine the impact of the level of organizational effectiveness on business performance (Ebrahim et al., 2014). Similarly, Bartoli and

Bellatrix (2015) believed that the definition of performance should be achieved through items such as piloting, evaluation, efficiency, effectiveness, and quality.

Methodology Used

According to Kothari (2004), Explanatory research design is used to explain the cause-and-effect relationship of the phenomenon. Therefore, an Explanatory research design was used to examine the causal relationship between the independent variable and dependent Variable in the textile manufacturing industry. Specifically, an Explanatory research design was used to investigate the effect of marketing strategy on the Firm's Performance in the case of the textile manufacturing industries in selected industrial parks, in Ethiopia.

The target population of the study was the employees of the textile manufacturing industry who are working in the selected Ethiopian industrial parks. Thus, Government owned industrial parks were selected. The primary reason to select government-owned industrial parks was that the issue of the textile manufacturing industry got the top priority from the government. This helped the researcher to get relevant data. As a result, Bole Lemi Industrial Park I and Adama Industrial Park were selected as the target population of the study.

Specifically from Bole Lemi Industrial Parks seven textile manufacturing industries such as Ever top Sportswear and textile Manufacturing PLC, Top new Ethiopian Garment and textile Manufacturing PLC, Ashton Textile Manufacturing PLC, Vests Garment and Textile Manufacturing PLC, Jay Jay garment and textile Manufacturing PLC, Shangtex garment and textile PLC and Shints Ethiopian textile production PLC were selected as a target group of the study. Additionally, four Textile Manufacturing Industries (King dome Garment and textile PLC, sunshine garment and textile PLC, Antex Textile PLC, and Jotun Garment and textile Manufacturing PLC were selected as the target groups of the study. Eleven Textile Manufacturing industries were selected from both Industrial parks. In this study, Multistage Sampling techniques were employed. Respectively both probability and nonprobability sampling techniques were used to select the target respondents.

In the First stage**,** purposive sampling techniques were used to select Government owned Industrial Parks. Thus, Bole lemi Industrial Park I, Hawasa Industrial Park, Mekele Industrial Park, Kombolcha Industrial Park, Diredawa Industrial Park, and Adama Industrial parks are government-owned Industrial parks, which are currently operational. The Rationality behind selecting those government-owned Industrial parks is that Government owned industrial parks are constructed with public resources and also it is considered top priority areas to alleviate poverty at the Government level.

In the second stage, Convenience sampling techniques were used to select Bole lemi industrial Park I and Adama Industrial Park. According to Kothari (2004), Convenience sampling techniques are used to select the samples which are more convenient to cover in the sample. Consequently, among the above-mentioned government-owned industrial parks, those two industrial parks have a textile manufacturing industry with the best performance (SRE, 2020). On the hand, due to, the political disturbance that happening in Ethiopia, the researcher could not consider Mekele and Kombolcha Industrial parks. Additionally, due to external influence (AGOA) on our country Ethiopia, most of the textile manufacturing industries operating in Hawassa Industrial parks were not in the right position to provide sufficient data for the researchers. Most experienced companies resigned due to AGOA pressure. Thus, the most convenient and functional industrial parks were Bole Lemi and Adama Industrial parks.

In the third stage,after selecting the convenient industrial parks by using None Probability sampling techniques, census sampling techniques were used to select all textile manufacturing industry that is available in both industrial parks. Correspondingly King dome Garment and textile PLC, sunshine garment and textile PLC, Antex Textile PLC and Jotun Garment and textile Manufacturing PLC from Adama Industrial Park; Ever top Sportswear and textile Manufacturing PLC, Top new Ethiopian Garment and textile Manufacturing PLC, Ashton Textile Manufacturing PLC, Vests Garment and Textile Manufacturing PLC, Jay Jay

garment and textile Manufacturing PLC, Shangtex garment and textile PLC and Shints Ethiopian textile production PLC from Bole lemi Industrial Park were selected by using census method.

In the fourth stage,simple random sampling techniques were used to select the respondents from the above-mentioned Textile manufacturing industries. Such as Ever top Sportswear and textile Manufacturing PLC, Top new Ethiopian Garment and textile Manufacturing PLC, Ashton Textile Manufacturing PLC, Vests Garment and Textile Manufacturing PLC, Jay Jay garment and textile Manufacturing PLC, Shangtex garment and textile PLC and Shints Ethiopian textile production PLC were selected as a target group of the study, King dome Garment and textile PLC, sunshine garment and textile PLC, Antex Textile PLC and Jotun Garment and textile Manufacturing PLC.

Both primary and secondary data were used in the research. To gather primary data, the researcher has used questionnaires. To allow the respondents to explain their ideas freely, questionnaires were designed in the form of open and closed-ended. Therefore, several booklets of the questionnaire were distributed and filled out by the targeted respondents.

A multiple Regression model was used to determine the causal relationship between independent variables (marketing strategy) and Dependent variable (Firm Performance) in the case of the Ethiopian Textile manufacturing industry, in selected industrial parks. Further, SPSS version 25 and AMOS version 23 software was used to analyze Quantitative data. In this study, The use of multiple regression analysis is very appropriate in cases where it is of interest to discover the collective effect of several independent variables on a particular dependent variable (adjusted R square), as well as it being of interest to know the specific effect of each independent variable on the dependent variable in the presence of the other independent variables (i.e. determining the effect of each independent variable while controlling the effect of the other independent variables).

Result and discussion

Validity and reliability test

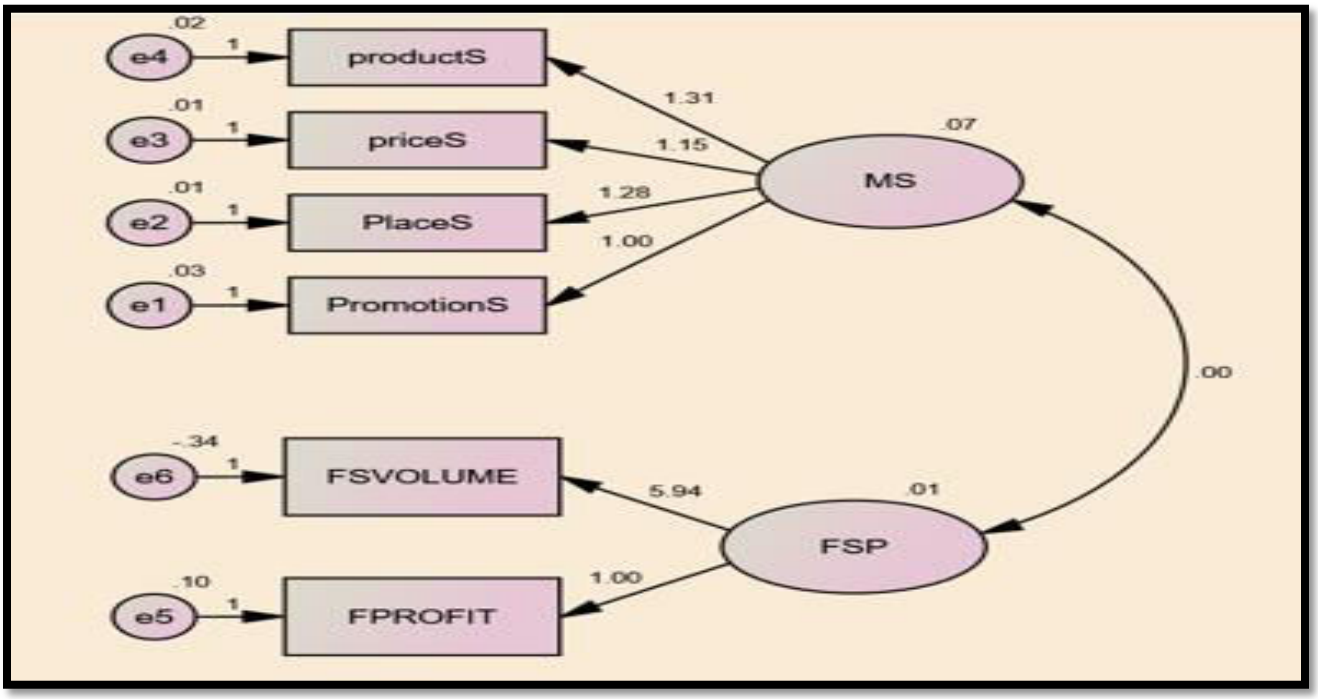

Figure 1: Validity test
Source: Researcher own Survey, 2022

The above figure 1. showed the independent variable (Marketing Strategy) and Dependent variable (Firm Performance). As can be seen from the above figure, Marketing Strategy has four dimensions (Product strategy, Price strategy, Place strategy, and Promotion strategy). Each dimension has its factor loading. Therefore, the researcher has used both Convergent and discriminant Validity.

Convergent validity

reflects the extent to which two measures capture a common construct. Alternative measures that provide less-than-perfect convergent validity introduce ambiguities that interfere with the development of meaningful interpretations of findings within and across studies. Early recommendations to researchers on appropriate levels of convergent validity offered only broad guidelines. Campbell and Fiske (1959). Therefore, the following table shows the result of the convergent validity test.

Table 1: convergent Validity test

indicators variables		Latent Variables	Standardized loading	Square of standardized loading	The sum of squared loading	Number of indicators	AVE
Promotion Strategy	<---	MS	0.844	0.712336	3.361429	4	0.8403
Place Strategy	<---	MS	0.95	0.9025			
Price strategy	<---	MS	0.937	0.877969			
Product strategy	<---	MS	0.932	0.868624			
Profit	<---	FP	0.357	0.127449	3.353065	2	1.6765
Sales Volume	<---	FP	1.796	3.225616			

Source: own survey,2022

According to Bagozzi & Yi, (1988), Fornell & Larcker, (1981), and Dibbern & Chin, (2005) the best method of examining convergent validity is to examine the average variance extracted (AVE) To be valid, the AVE should achieve the threshold of 0.5 and above. Therefore, from the above-mentioned table, the result of the average variance extracted (AVE) for both independent and dependent variables is greater than 0.5. respectively, the AVE value for a marketing strategy is 0.8403 and the AVE value for Firm sales performance is 1.67. thus, according to the rule of thumb, there is no convergent Validity issue in the study.

Discriminant Validity

Gefen & Straub, (2005) found that Discriminant validity demands a strong correlation between an indicator and its associated construct but a weak correlation with all other constructs. Correspondingly, these Authors also mentioned that the two procedures used to assess discriminant validity are (1) item cross-loadings; and (2) the ratio of the square root of the AVE of each construct to the correlations of this construct to all other constructs.

Table: 2 Discriminant Validity

Indicators variables		Latent Variables	Standardized loading	Square of standardized loading	The sum of squared loading	Number of indicators	AVE	the square root of the AVE
Promotion Strategy	<--	MS	0.844	0.712336	3.36142	4	0.8403	0.91
Place Strategy	<--	MS	0.95	0.9025				
Price strategy	<--	MS	0.937	0.877969				
Product strategy	<--	MS	0.932	0.868624				
Profit	<--	FP	0.357	0.127449	3.35306	2	1.6765	1.29
Sales Volume	<--	FP	1.796	3.225616				

Source: researchers Own survey, 2022

According to gefen& Straub, (2005), if the result of the square root of AVE is greater than the result of cross Correlation. Therefore, the validity test analysis revealed that the value of the result of the square root of the AVE for both Marketing strategy and firm performance is greater than the result of cross correlation. therefore, there is no Discriminant Validity issue.

Reliability test

According to Diamantopoulos, Sarstedt, Fuchs, Wilczynski, & Kaiser, (2012), the rule of thumb for composite reliability should **be** higher than 0.70**.** additionally, according to those Authors, the composite reliability value between 0.60 to 0.70 is considered acceptable. Consider Cronbach's alpha as the lower bound and composite reliability as the upper bound of internal consistency reliability.

Based on the above-mentioned rule of thumb, the researcher conducted the composite reliability test. Respectively the following table clearly shows the result.

Table3: Reliability test

			Standardized loading	Square of standardized loading(A)	Measurement error (1-A)	The sum of measurement error	Sum of Standardized loading	Square of Standardized loading (C)	C+ME	Composite reliability C/C+ME
Promotion Strategy	**<---**	MS	0.844	0.71233	0.2876	0.63857	3.663	13.4175	14.056	0.9545
Place Strategy	**<---**	MS	0.95	0.9025	0.0975					
Price Strategy	**<---**	MS	0.937	0.8779	0.122031					

Product strategy	<---	MS	0.932	0.8686	0.131376					
Profit	<---	FP	0.357	0.1274	0.8725	-1.35306	2.153	4.6354	3.2823	1.4122
Sales Volume	<--	FP	1.796	3.2256	-2.2256					

The above table indicates the result of composite reliability. Respectively, according to the rule of thumb designed by Fuchs, Wilczynski, & Kaiser, (2012), if the value of composite reliability should **be** higher than 0.60, it is acceptable. Therefore, the result of composite reliability for a Marketing strategy is 0.95 and the result of Composite reliability for Firm performance is 1.41. this shows that there is no problem with the reliability issue. And the data is reliable and enable the researcher to run the analysis.

Model Fitness Test

After conducting both reliability and validity tests, the researcher was satisfied with both reliability and validity results. Consequently, the model fitness test was conducted before the hypothesis test.

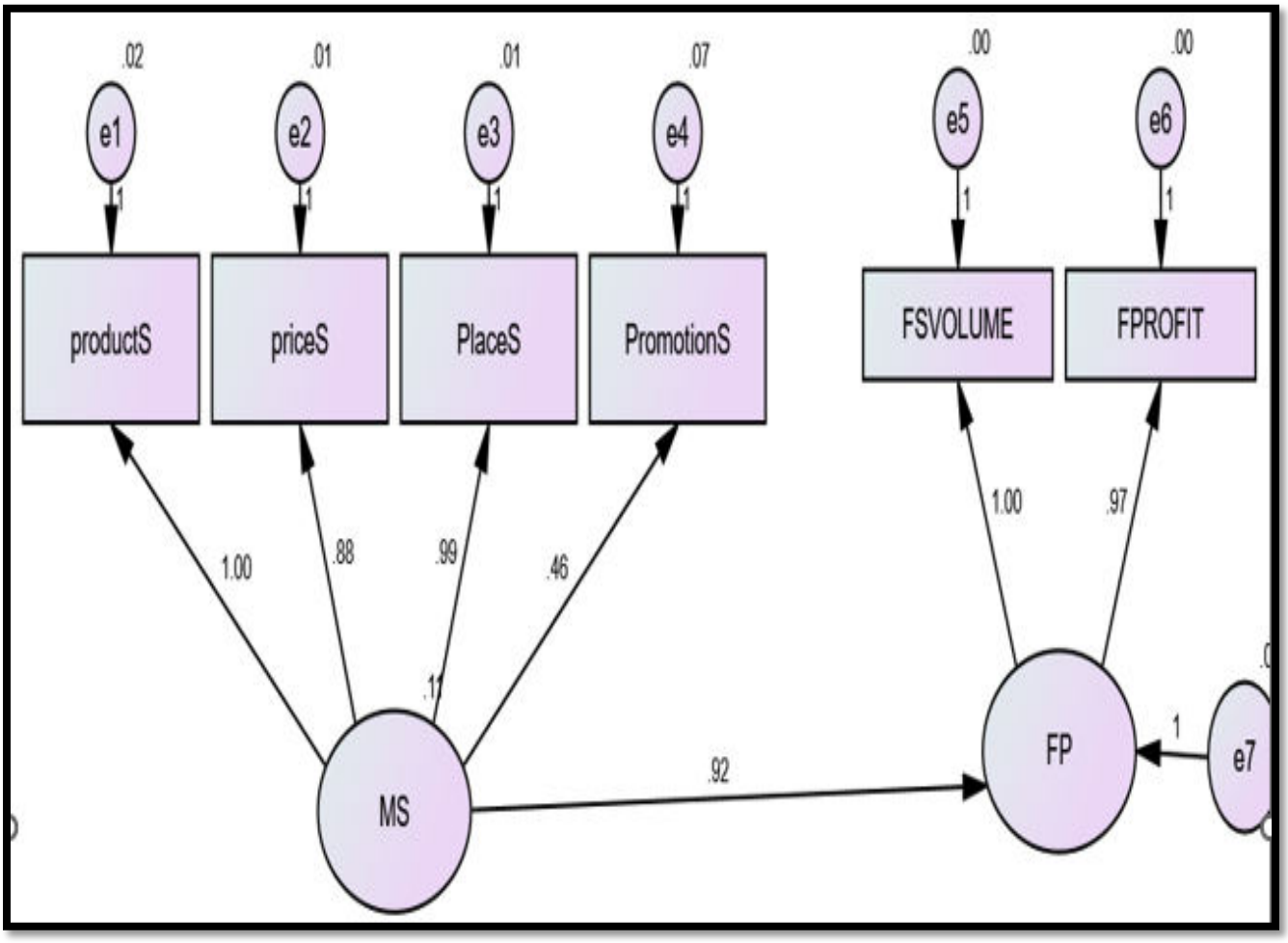

Table: 4: Model Fit Summary

Model	**NPAR**	**CMIN**	**DF**	**P**	**CMIN/DF**
Default model	13	8.798	8	.360	1.100
Saturated model	21	.000	0		
Independence model	6	3009.784	15	.000	200.652
Model	**RMR**	**GFI**	**AGFI**	**PGFI**	
Default model	.001	.992	.978	.378	
Saturated model	.000	1.000			
Independence model	.074	.255	-.043	.182	
Model	**NFI Delta1**	**RFI rho1**	**IFI Delta2**	**TLI rho2**	**CFI**
Default model	.997	.995	1.000	1.000	1.000
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000
Model	**RMSEA**	**LO 90**	**HI 90**	**PCLOSE**	
Default model	.017	.000	.067	.821	
Independence model	.763	.740	.786	.000	

Source: Researcher Own Survey, 2022

Structural Equation Model Assessment

A Structural Equation model generated through AMOS was used to test the relationship. A good fitting is accepted if the value of the CMIN/df is < 5, the goodness of fit (GFI) indices (hair et.al,.2010); the tucker and lewis (173), indices (TLI); the confirmatory fit index (CFI)(Bentler,1990), is >0.9(hair et al.). In addition, an adequate fitting model was accepted if the AMOS computed value of standardized root mean square residual (RMR) < 0.05, and the root mean square Error Approximation (RMSEA) is between 0.05-0.08(hair et al.,2010). the fit indices for the model shown in table 4 fell within the acceptable range:CMIN/DF=1.100, GFI =0 .992, RMR=0.001, TLI = 1.000, RMSEA = 0.017

Table 5: Squared Multiple Correlations

			Estimate
Firm Performance			0.835
Firm Profit			0.975
firm sales volume			0.997
Promotion Strategy			0.256
Place Strategy			0.907
Price Strategy			0.874
Product Strategy			0.868

Source: Researchers' own survey, 2022

The Squared Multiple Correlations for Marketing Strategy was0.835, this shows that 83.5% variance in Firm Performance is accounted for by the Marketing Strategy. Moreover, The Squared Multiple Correlation for Firm Profit was 0.975. this shows that 97.5% of the variance in firm performance is accounted for by Firm

Profit. On the other hand, The Squared Multiple Correlation for firm sales volume **is** 0.997**.** this shows that 99.7% of the variance in Firm performance is accounted for by firm sales volume.

Moreover, Squared Multiple Correlations for Promotion Strategy s 0.256. this shows that 25.6 % of the variance in marketing strategy is accounted for by Promotion Strategy. The Squared Multiple Correlation for Place Strategy is 0.907. this shows that 90.7 % of the variance in Marketing strategy is accounted for by Place Strategy. Further, the Squared Multiple Correlation for Price Strategy is 0.874. this shows that 87.4 % of the in-Marketing strategy is accounted for by Price Strategy. Similarly, the Squared Multiple Correlations for Product Strategy is 0.868. this shows that 86.8% of the in-Marketing strategy is accounted for by Product Strategy.

Hypothesis testing

the study Assessed the effect of m marketing strategy on Competitive advantage there for four hypotheses were tested using SPSS AMOS software. The following table shows the result of Amos.

Table 6: Variances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
MS			0.113	0.010	11.395	***	
e7(Firm performance)			0.019	0.002	10.256	***	
e1(Product Strategy)			0.017	0.002	9.929	***	
e2(Price Strategy)			0.013	0.001	9.749	***	
e3(Place Strategy)			0.011	0.001	8.381	***	
e4(Promotion Strategy)			0.069	0.005	12.938	***	
e5(Sales Volume)			0.001	0.001	2.615	***	
e6(Firm profit)			0.003	0.001	5.189	***	

Researchers Own survey, 2022

Table 7: Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
Firm Performance	<---	MS	.914
Product Strategy	<---	MS	.932
Price Strategy	<---	MS	.935
Place Strategy	<---	MS	.952
Promotion Strategy	<---	MS	.506
Firm Sales Performance	<---	FP	.999
Firm profit	<---	FP	.987

Source: researchers' own survey, 2022

According to Riya and Priya (2020) taking the significance level of the study is 5% then the critical value for the given two-tailed test would be 1.960. Hence, the null hypothesis would be rejected if the value of CR ≥1.960. In addition, According to Zaykin et al., (2008), if the p-valuable is less than the significant level of 0.05, reject the null hypothesis; otherwise, do not reject the null hypothesis.

Based on these assumptions, the study tested one major hypothesis and four sub-hypotheses. Correspondingly, the major hypothesis was marketing strategy has a significant effect on firm performance. thus, based on the result mentioned in table 6 and table 7, the effect of Marketing strategy on Firm Performance is Positive and significant (b=0.914, t=10.256, p<0.05) Supporting **Ha_2.** As it is mentioned

above, the Study Assessed four sub-hypotheses. The study's result revealed that the effect of Product strategy on Firm performance is Positive and significant (b=0.932, 9.929, p<0.05), supporting H**a$_{21}$**. The effect of Price Strategy on Firm performance is significant and Positive (b=.0.936, t=0.935, p<0.05), supporting Ha$_{22}$. The effect of place strategy on Firm Performance is significant and positive (b=0.952, t=8.381, p<0.05), supporting **Ha$_{23}$**. finally, the study tested that Promotion Strategy has a positive and significant effect on competitive advantage. (b=.506, t=12.905, p<0.05), supporting **Ha$_{24}$**.

Table 8: Model fit indices and hypothesis results are Presented in the table

Hypothesis	**Standardized Estimates**	**T-Value**	**P-Value**	**Decision**	
				Null Hypothesis	**Alternative Hypothesis**
Ha$_2$: Marketing strategy has a significant effect on Firm Performance	0.914	10.256	p<0.05	Rejected	Accepted
Ha$_{21}$: Product Strategy has a significant effect on Firm Performance	0.932	9.929	p<0.05	Rejected	Accepted
Ha$_{22}$: Price Strategy has a significant effect on Firm performance	0.936	9.749	p<0.05	Rejected	Accepted
Ha$_{23}$: Place Strategy has a significant effect on Firm performance	0.952	8.381	p<0.05	Rejected	Accepted
Ha$_{24}$: Promotionhas a significant effect on firm performance	0.506	12.938	p<0.05	Rejected	Accepted
CMIN/DF=1.100, GFI =0 .992, RMR=0.001, TLI = 1.000, RMSEA = 0.017					

Source: researchers' own survey, 2022

The path diagram displays the standardized regression weights (factor loadings) for the marketing strategy towards the left and Competitive advantage towards the right for each of the indicators. Testing the contribution that Marketing Strategy has for Firm Performance was accomplished by using AMOS 23 multivariate analysis software. This analysis resulted in a good fit to the data (CMIN/DF=1.100, GFI =0 .992, RMR=0.001, TLI = 1.000, RMSEA = 0.017). based on the result of the standardized regression coefficient, the Constructs loadings, t-value, and R2 are presented as follows: for Marketing Strategy: Product strategy (loading = 0.932, t-value = 9.929, R2 0.868), Price Strategy (loading = 0.936, t-value = 9.749, R2 =. 0.874), Place Strategy (loading = 0.952, t-value 8.381, R2 = 0.907) and Promotion Strategy (loading = 0.506, t-value = 12.938, R2 = 0.256). On the other hand, for Firm performance: Firm profit (loading =0.987, t-value = 5.189, R2= 0.975) and Firm Sales volume (loading =0.829, t-value = 2.615, R2 =0.997

From the above result, the following analyses were made by the researcher. when Product Strategy goes by one unit, Marketing strategy goes up by 0.932 with a p-value of less than 5%. This shows that Product Strategy has a significant effect on the Marketing strategy of the company. This means that, when the product strategy of the company becomes clear and Acceptable to the customers, the marketing strategy of the company also becomes clear and accepted by customers. this result is also confirmed by the interview analysis result. According to the interview Analysis result, the company gives a big emphasis on product strategy of its product. Therefore, from the result of the data analysis, it is possible to conclude that, the

product strategy of the company has a critical role in improving the overall marketing strategy execution of the company.

Concerning the price strategy of the company, the study result mentioned that, when the Price Strategy goes by one unit, the Marketing strategy goes up by 0.936 with the P-Value less than 5%. This shows that Price Strategy has a significant effect on the n Marketing strategy of the company. The when price strategy of the company is affordable, the marketing strategy of the company also becomes acceptable. Similarly, the triangulation made by the researcher through the interviews also revealed that the company gives big emphasis to the price strategy as equal to the product strategy of its product.

Further, the study revealed that, when the Place strategy goes by one unit, the marketing strategy of the company goes by = 0.952, with the p-value less than 5%. this shows that the place strategy affects the Marketing strategy of the company. If the company works on the Place strategy, the marketing strategy of the company will be improved by = 0.952. however, according to the Interview result, the company gives less emphasis to the Place strategy. The especially company has a program for thinking about its place in Domestic Market. Therefore, the result of the inferential finding was different from the interview result finding.

Moreover, according to the result, when Promotion goes by one unit, Marketing strategy Goes by 0.506 with a p-value of less than 5%. this shows that, if the company gives attention to the promotion Strategy, the marketing strategy of the company will be improved. But, the result of descriptive statistics as well as the result of the interview, revealed that the Company did not give attention to the promotion strategy. On the other side, the result of the structure Equation model shows the promotional strategy of the company affects the marketing strategy by 0.506.

The Direct Effect Analysis

Direct effect analysis was adopted to investigate the effects of the independent variables on the dependent variable. The effects for each independent variable can be computed by using the path coefficients. Numerically, the results of the direct effect and the total effect of Marketing Strategy on firm Performance were summarized in Table 9

Table 9: direct effect and the total effect

Propositions	**Direct Effect**		**Total Effects**	
Effect of MS on CA	**MS**	**FP**	**MS**	**FP**
Firm Performance	.923	.000	.923	.000
Firm Profit	.000	.971	.896	.971
Firm sales Volume	.000	1.000	.923	1.000
Promotion Strategy	.459	.000	.459	.000
Place Strategy	.987	.000	.987	.000
Price Strategy	.884	.000	.884	.000
Product Strategy	1.000	.000	1.000	.000

Source: researchers' survey, 2022

From above table 9, the direct effect analysis revealed some interesting findings on the effect of Marketing Strategy on Firm performance. To make the analysis, the Structural equation Model was extended by including the direct paths from Marketing strategy (Independent Variable) to Firm performance (Dependent Variable) where direct path coefficients were obtained. Thus, the results showed that when the marketing strategy goes by one unit, Firm performance goes by 0.923, With a P-Value of less than 5 percent. this shows that marketing

strategy has a significant positive effect on the firm Performance. on the other hand, the study confirmed that the improvement done in the marketing strategy has a direct effect on the firm performance of the companies.

Conclusion and Recommendation

In the study, the effect of Marketing strategy on Firm performance is analyzed and interpreted sequentially. In the study, Marketing strategy is used as the independent variable and Firm performance is used as the dependent variable. Specifically, Marketing strategy has four dimensions. Such as Product Strategy, Price Strategy, Place strategy, and Promotion strategy. According to the result of the study, Product Strategy, Price Strategy, Place strategy, and Promotion strategy has a significant effect on the Firm performance.

Finally, the study investigated the effect of marketing strategy on Firm performance. respectively, the finding of the study shows that marketing strategy has a significant positive effect on firm performance. This finding is confirmed by the finding of the interview and descriptive analysis. According to the triangulation done through interviews and descriptive statistics, a Marketing strategy can enable the company in getting improve its Firm performance.

Therefore, the following recommendations are forwarded based on the result of the study: According to this research, four dimensions of Marketing strategies, such as product strategy, Price strategy, Place strategy, and promotion strategy have a significant effect on firm performance. therefore, to enhance the firm Performance, the companies should give due emphasis to setting a viable marketing strategy as it let them have better performances.

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